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October 9, 2007

VIA ELECTRONIC FILING

Hon. Randolph F. Treece, U.S.M.J.
James T. Foley U.S. Courthouse
445 Broadway
Albany, New York 12207

**Re: Ying Y. Lai v. Kun Fuk Cheng, a/k/a Steven Cheng, et. al.
05-CV-708 (TJM/RFT) / 04-CR-544 (TJM)**

Dear Magistrate Treece:

Please accept the following as a sixth report on the status of the above-referenced action pursuant to the Court's Order dated July 10, 2007

As you are aware, defendant Kun Fuk Cheng entered a guilty plea in his criminal action (04-CR-544) and was sentenced on December 11, 2006. Ying Y. Lai ("Ms. Lai") has filed her petition for the adjudication of her mortgage interest in the premises known as 1885 Central Avenue, Albany, New York, which is a property subject to forfeiture in Mr. Cheng's criminal action. A First Final Order of Forfeiture acknowledging Ms. Lai's interest in 1885 Central Avenue was filed with the Court on January 24, 2007 and a Notice of Publication and Forfeiture was published on or about March 7, 2007.

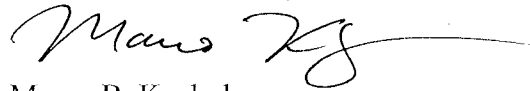
Based upon my conversations with AUSA Thomas Capezza's office and with officials from the Department of Homeland Security and the U.S. Treasury Department, it is my understanding that the forfeited properties, including 1885 Central Avenue, will now be sold by public auction in the upcoming months, with the net proceeds from the sale thereof to be distributed to allowed interest holders by order of priority. It was my original understanding that said public auction would take place in or about July or August, 2007, but has now been pushed back for reasons unknown to me at this time. While an exact date of the auction has not been set, it is my understanding that a notice of public auction will be published shortly.

Based on the foregoing, and upon the consent of Mr. Capezza, the parties would like to request that the stay of foreclosure proceedings (05-CV-708) in this matter be extended for an additional period of 90 days to allow for the auction sale of 1885 Central Avenue. Accordingly, the stay would be in effect until January 9, 2008, with another status report due to you on or before January 8, 2008. Your consideration is greatly appreciated.

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Very truly yours,

NOLAN & HELLER, LLP

A handwritten signature in black ink, appearing to read "Marco K", with a long horizontal flourish extending to the right.

Marco B. Koshykar

cc: Thomas A Capezza, AUSA (via facsimile (518) 431-0249)

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